



Press Release

**Contact:**

JoBeth Zimmerman  
BioCrossroads  
(317) 331-6547  
jzimmerman@biocrossroads.com

**Indiana biopharmaceutical service providers maintain steady growth despite industry challenges**  
***BioCrossroads issues report analyzing trends in biopharmaceutical contract services***

**Indianapolis, IN, February 10, 2010 --** Indiana's contract pharmaceutical research and manufacturing companies continued to expand in 2009, despite challenges in the biopharmaceutical contract service sector due to the downturn in the economy, the prospect of healthcare reform and other market developments. New service providers were established, facility expansions were announced, and service line extensions were added by companies such as AIT Laboratories, BioConvergence, BioStorage Technologies and Covance.

In an updated survey on biopharmaceutical market developments, *Industry Developments in U.S. Biopharmaceutical Contract Services*, BioCrossroads highlights evolving trends in the contract service sector, including the industry-wide drive for pharmaceutical and biotechnology companies to lower costs, access specialized services and increase flexibility through outsourcing work to contract service providers (CSPs). This new report supplements the major sector study prepared by BioCrossroads in 2008, *Biopharma Discovery and Development Contract Services – Indiana Market Opportunities and Funding Options*.

“We believe the outlook for the biopharma contract service sector continues to be positive, particularly for Indiana's pharmaceutical development and contract manufacturing companies,” said David Johnson, president and CEO of BioCrossroads, Indiana's public-private collaboration for investment, development and advancement of the state's signature life sciences strengths. “The emergence of fully integrated pharmaceutical networks (FIPNETs) has changed the landscape and accelerated the pace of pharmaceutical product development. The trend of outsourcing that we predicted in our 2008 BioCrossroads study is now standard practice for bringing a product to market in this industry.”

The new report acknowledges that while 2009 was slow for many CSPs, the underlying reasons for pharmaceutical and biotechnology companies to outsource selected activities will continue for the foreseeable future. CSPs should continue to grow as the

pharmaceutical industry moves towards a more flexible business model. Biomarker services and the need for larger clinical trials will provide opportunities for additional growth in future years. However, with the consolidation of the pharmaceutical industry and the continued trend of strategic partnerships between CSPs and their clients, many companies in the sector will be drawn to find new revenue sources.

“Outsourcing to contract organizations helps reduce the high costs and long lead times of product development while minimizing scientific and business risks,” said Alisa Wright, president and CEO of Bloomington, IN-based BioConvergence. “Because of the growing needs for specific development functions that our pharmaceutical clients requested, we added service lines in 2009, including collection kit production and biorepository capacity. We plan to expand our services further in 2010.”

With nearly 9,000 workers and more than 40 companies working in the CSP sector, Indiana is a national center for biopharma development and manufacturing. The state is one of only a few regions in the United States with a concentration of companies that excel in specialized and sophisticated drug development services such as contract research, contract manufacturing, and logistics. BioCrossroadsLINX was established in 2007 to develop and strengthen these Indiana drug development and manufacturing capabilities through educational and workforce development programs and regional collaborations.

The full report is available at [www.biocrossroads.com](http://www.biocrossroads.com) and [www.biocrossroadslinx.com](http://www.biocrossroadslinx.com)

### **About BioCrossroads**

BioCrossroads ([www.biocrossroads.com](http://www.biocrossroads.com)) is Indiana’s initiative to grow, advance and invest in the life sciences, a public-private collaboration that supports the region’s existing research and corporate strengths while encouraging new business development. BioCrossroads provides money and support to life sciences businesses, launches new life sciences enterprises ([Indiana Health Information Exchange](#), [Fairbanks Institute for Healthy Communities](#), [BioCrossroadsLINX](#), and [Datalys Center](#)), expands collaboration and partnerships among Indiana's life science institutions, promotes science education and markets Indiana's life sciences industry.